

The Honorable Karen A. Overstreet
Chapter 11
Location: Seattle, Room 7206
Hearing Date: January 11, 2013
Hearing Time: 9:30 a.m.
Response Date: January 4, 2013

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

In re

PRECISION AIRMOTIVE, LLC,

Debtor.

Case No. 12- 22154-KAO

**DECLARATION OF JOHN S. KAPLAN
IN SUPPORT OF APPLICATION FOR
ORDER AUTHORIZING RETENTION
OF PERKINS COIE LLP AS DEBTOR'S
GENERAL BANKRUPTCY COUNSEL**

I, John S. Kaplan declare as follows:

1. I am an attorney and shareholder of a corporate partner of Perkins Coie LLP ("Perkins Coie"). I am one of the attorneys at Perkins Coie representing Precision Airmotive, LLC ("Precision" or "Debtor") that is debtor and debtor-in-possession in the above-captioned case.

2. Perkins Coie has undertaken an investigation of any connections that may exist between Perkins Coie and Debtor, the creditors of Debtor, other parties-in-interest in this case, and their respective attorneys and accountants. The investigation included performing a conflicts search on the names of creditors and other parties in interest provided

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Phone: 503.727.2000
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67525-0023/LEGAL25069195.1

1 by Debtor. In addition, Perkins Coie sent an email to all firm personnel requesting
2 information regarding any connections to the Debtor, the U.S. Trustee's office in the
3 Western District of Washington, or any Bankruptcy Judges in the Western District of
4 Washington. To the best of my knowledge, there are no such no connections with the
5 Debtor or any of its affiliates, any known creditor, any known party in interest, the United
6 States Trustee, or any person employed in the office of the United States Trustee, or any
7 Bankruptcy Judge of the Western District of Washington, except as follows:
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- 15 a. There are more than 230 creditors and other parties-in-interest in this
16 case. Perkins Coie has represented and may currently represent some
17 of these parties in matters unrelated to Debtor or this Chapter 11 case.
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- 19 b. Exhibit A contains a list of entities that (a) were identified by Debtor
20 as creditors or otherwise as potential adverse parties ("Conflict
21 Parties"), and (b) have names similar to entities that Perkins Coie
22 currently represents, or in the past represented, in unrelated matters.
23
- 24 c. Exhibit B is a list of Conflict Parties that Perkins Coie is adverse to or
25 potentially adverse to in unrelated matters.
26
27
- 28 d. Perkins Coie represents Honeywell International Inc. ("Honeywell")
29 in various matters involving aviation accidents, incidents, and
30 occurrences in which Debtor may have some involvement and in
31 which Honeywell may have differing and/or adverse interests.
32 Perkins Coie informed Debtor of this potential for conflict and
33 received the Debtor's informed consent to concurrent representation
34 on November 12, 2008. Honeywell will likely have an unsecured
35 claim for indemnification in Debtor's bankruptcy case. As with the
36 other parties listed on Exhibit A, Perkins Coie will not represent the
37 Debtor with respect to a specific dispute with any Honeywell absent a
38 further waiver letter, which will be disclosed to the Court. The
39 Debtor will require conflicts counsel if any dispute arises with any
40 such creditor.
41
42
- 43 e. Ramie O'Neill, the spouse of Perkins Coie associate Paul Graves, is
44 currently employed as a law clerk to the Honorable Marc Barreca. I
45 have been informed that Judge Barreca's policy is that Ms. O'Neill be
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1 screened from all matters in which Perkins Coie is involved, in
2 accordance with Advisory Opinion 51 of the Committee on Codes of
3 Conduct for the Federal Judiciary.
4

5 f. Katherine Richard, an associate attorney in Perkins Coie's Palo Alto
6 office worked as an extern for the Honorable Karen Overstreet in
7 2011.
8

9 g. Perkins Coie paralegal Tori Ashford-Downing worked at the
10 Bankruptcy Court for the Western District of Washington as an intake
11 specialist from 1990 to 1991.
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15 3. Debtor has retained Perkins Coie for insured and uninsured product liability
16 defense work for a number of years. Debtor retained Perkins Coie to provide restructuring
17 advice in late October, 2012.
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21 4. Perkins Coie received a check for \$100,000 on or around November 5, 2012
22 as a retainer for restructuring services. On the morning of December 7, 2012, Perkins Coie
23 applied \$53,305.20 of the retainer to pay fees and costs incurred prior to December 7, 2012.
24
25
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27 5. The unapplied balance of the retainer, in the amount of \$46,694.80, will be
28 held by Perkins Coie pending this Court's authorization to apply it toward outstanding future
29 billings. Perkins Coie intends to seek payment of its fees and expenses incurred on
30 December 7, 2012 as part of its first interim fee application. Additionally, because the final
31 invoice may not have captured all expenses incurred on behalf of the Debtor, it is possible
32 that the invoices that have been paid may be understated. If the amount in those invoices
33 were understated as to expenses, Perkins Coie will seek approval from the Court for
34 payment of these expenses from the amount held by Perkins Coie in its retainer in its first
35 interim fee application.
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45 6. Perkins Coie received payments of \$111,927.58 on or about September 10,
46 2012 and \$227,988.42 on or about October 30, 2012 on invoices for uninsured product
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1 liability, intellectual property and indemnification work in its normal billing cycle. Perkins
2
3 Coie subsequently wrote off \$330,778.85 in uninsured product liability work and is not
4
5 owed anything by the Debtor as of the Petition Date.

6
7 7. Perkins Coie is owed approximately \$1,588,416.72 for insured product
8
9 liability work done on behalf of the Debtor. Perkins Coie intends to look solely to the
10
11 Debtor's insurers and will not seek payment from the Debtor for any of these fees and
12
13 expenses. To the extent stay relief is granted, Perkins Coie will continue to defend insured
14
15 product liability cases in the Debtor's name and look solely to the insurance companies and
16
17 not the Debtor's estate for reimbursement for such services.

18
19 8. Perkins Coie will seek compensation from Debtor's bankruptcy estate under
20
21 sections 330 and 331 of the United States Bankruptcy Code.

22
23 9. This Declaration includes only issues and parties in interest that Perkins Coie
24
25 has identified at the present time. It is possible Perkins Coie represents or has represented
26
27 other creditors or parties in interest in matters unrelated to this case. Perkins Coie continues
28
29 to conduct an analysis of its connections with parties in interest in this case and will notify
30
31 the Court if any actual conflicts of interest, or if any additional significant connections, are
32
33 discovered in this process. Except for the Debtor, Perkins Coie has not represented and will
34
35 not represent any creditors, shareholders or other parties-in-interest in connection with this
36
37 case.

38
39 10. To the best of my knowledge, Perkins Coie does not hold or represent any
40
41 interest adverse to Debtor or their bankruptcy estates in the matters upon which Perkins Coie
42
43 is to be engaged. I believe Perkins Coie is a "disinterested person" for the purposes of
44
45 sections 101(14), 327(c) and 1107(b) of the United States Bankruptcy Code.
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11. I have read, and my colleagues who are expected to spend significant time representing Debtor in connection with this case, have reviewed and are familiar with Local Bankruptcy Rule 2016-1.

Under penalty of perjury, I declare I have read this statement and to the best of my knowledge it is true.

DATED this 19th day of December, 2012, at Seattle, Washington.

By: /s/ John S. Kaplan
John S. Kaplan

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EXHIBIT A

VENDOR OR CUSTOMER NAME

PERKINS COIE CLIENT NAME

ARAMARK UNIFORM SERVICES
AVIALL

Aramark Corporation
The Boeing Company (parent of Aviall, Inc.
and Aviall Services, Inc.)

CHARLES SCHWAB TRUST COMPANY
COMCAST

Charles Schwab & Co., Inc.
Comcast Corporation

FAA (Federal Aviation Administration)

Federal Aviation Administration

FRONTIER

Frontier Communications Northwest Inc.

GRAINGER INC.

W.W. Grainger, Inc.

HYTEK FINISHES CO.

Esterline Technologies Corporation (parent of
Hytek Finishes)

Honeywell International, Inc.

INTERMEC TECHNOLOGIES

Intermec, Inc.

INTERMEC TECHNOLOGIES

Intermec Foundation

JOHN CRANE INC.

Indufil B.V. (Netherlands)

LOWE'S COMPANIES, INC.

Lowe's Companies, Inc.

LOWE'S COMPANIES, INC.

Lowe's

MASTER BUILDERS ASSOCIATION

Master Builders Assoc. Group Ins. Trust

MASTER BUILDERS ASSOCIATION

Master Builders Association of King and
Snohomish Counties

MATCO TOOLS

NMTC, Inc., dba Matco Tools

MBA/MBA TRUST

Master Builders Assoc. Group Ins. Trust

METAL FINISHING INC.

Nu-Metal Finishing, Inc.

MOSS ADAMS LLP

Moss Adams, LLP

PARAGON MANUFACTURING CORP

Paragon Manufacturing, Inc.

PARKER PAINT MFG. CO., INC.

Parker Paint Mfg. Co., Inc.

PUGET SOUND ENERGY

Puget Sound Energy, Inc.

PUGET SOUND ENERGY

Encogen Northwest, L.P.

PUGET SOUND ENERGY

Puget Western, Inc.

RBC WEALTH MANAGEMENT

RBC Dain Rauscher, Inc.

ROBINSON HELICOPTER

Robinson Helicopter Company

SEATTLE MARINERS

The Baseball Club of Seattle, LLP

SNOHOMISH COUNTY PUD

Snohomish County P.U.D.

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EXHIBIT B

Adverse or Potentially Adverse Party

ABF FREIGHT SYSTEM, INC.
ADP (AUTOMATIC DATA PROCESSING)AERO INC
APPLIED INDUSTRIAL TECH
AT&T MOBILITY
BANC OF AMERICA LEASING

BRADY WORLDWIDE, INC.
CARQUEST AUTO PARTS
CHEMETALL OAKITE
COASTAL COMMUNITY BANK
CONSONA
CONTINENTAL MOTORS INC.
DHL EXPRESS INC
DIGI-KEY CORPORATION 336130
DIMENSIONAL CONTROL CORPORATION
DOUBLE D CLEANING
EMBRAER
ENSTROM HELICOPTER CORP.
FLIGHTCRAFT INC.
GES
KIBBLE AND PRENTICE
LIBERTY NORTHWEST
LOWE'S COMPANIES, INC.
MCMASTER-CARR SUPPLY COMPANY
MUTUAL OF OMAHA
PACIFIC CONTINENTAL ENGINES INC.
PARKER HANNIFIN CORPORATION
PITNEY BOWES
PLEXUS MANUFACTURING
SCHINDLER ELEVATOR CORPORATION
SEALED AIR CORP.
SEATTLE SEAHAWKS
STAPLES
SUPERIOR AIR PARTS
TRAUTMANN MAHER
TRAVELERS
ULINE
US SPECIALTY INSURANCE COMPANY
WASHINGTON STATE DEPT OF ECOLOGY

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